

Media release

Gratifying 2008 financial year for SIX Group

First annual results of the unified Swiss financial market infrastructure provider

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SIX Group, the Swiss financial market infrastructure provider that emanated at the start of 2008 from the merger of the SWX Group, Telekurs Group and SIS Group, performed very well in an otherwise challenging environment. The highly volatile securities markets yet an economy that still managed to hold up well despite the drop in asset prices worked to the benefit of all of the Group's business fields. Thanks to an increase in turnover-related revenues and the successful conduct of various integration processes, the new company remains on course.

2008 was a decisive year for the build-up of the newly created SIX Group. Despite the enormous pressures associated with various integration projects, great progress was achieved in integrating the three former companies. That applies to the formulation of the new Group strategy, as well as to the initial implementation measures and the cultural homogenization of the three organizations. Also in terms of the goals formulated within the framework of the merger, 2008 can be viewed as a very favorable year. The infrastructure operations functioned flawlessly and without qualitative deficiencies even during the peak times of market turbulence. Thus the advantages of a centralized command center for the entire Swiss Value Chain have already been realized. Pre-existing and new projects can now be conducted and implemented more easily. Moreover, the merger has led to a larger and significantly more financially potent enterprise in which – as the financial crisis has clearly underscored – the breadth of the product portfolio makes a valuable contribution to revenue diversification. “The integrated business model has stood up to the acid test of turbulent financial markets, thereby confirming the correct thinking behind our merger,” stated Peter Gomez, Chairman of the Board of SIX Group, in summarizing the gratifying start of the still-young enterprise.

In the 2008 financial year, SIX Group recorded consolidated operating income of CHF 1.3479 billion and a net profit of CHF 306.1 million. The company is present in 23 countries and earned 37.6% of its operating income from foreign subsidiaries. In total, SIX Group employs close to 3,500 individuals, roughly one-third of whom are located abroad. On the expense side, personnel costs amounted to CHF 525.7 million, while general and administrative expenses stood at CHF 304.9 million. Net assets totaled CHF 4.558 billion, and the shareholders' equity of the Group amounted to CHF 1.7174 billion. The normal assessment of the company's course of business based on prior-year comparisons is not possible for 2008 because the previous year's figures in the consolidated financial statements relate solely to those of the former SWX Group. From a legal standpoint, the

SWX Group acquired both of the other companies within the framework of the merger. The Board of Directors desires that all shareholders participate in our gratifying annual results and will therefore propose at the annual general meeting the distribution of a CHF 5.30 dividend (previous year: CHF 3.90) for each CHF 1.00 par value share.

Urs Rügsegger, CEO of SIX Group, stated: "We are very satisfied with the results SIX Group achieved in 2008. The company managed to prove its capabilities in an extremely challenging market and competitive environment. Important steps were taken in terms of our internationalization, and the integration of the previous three Group companies is running successfully. For 2009, we are reckoning with a modest decline in revenues and profits, whereby again this year users of the Swiss financial market infrastructure should benefit from reduced prices."

For SIX Group, 2008 was also marked by a wide array of integration processes, and the progress made in this regard was greater than expected. Among the key focal points were the definition of the overall strategy, the combination of technological infrastructure, the establishment of a Group-wide financial management body, harmonization of the employment conditions throughout the Group, the branding concept, as well as cultural integration.

Thanks to its strong foothold, the **Securities Trading** business segment recorded good results. Revenues generated by the Cash Markets division during the reporting period amounted to CHF 319.1 million, a decline of CHF 12 million or 3.6% versus the previous year. In terms of the number of on order book trades executed in 2008, SIX Swiss Exchange, SWX Europe and Scoach Switzerland Ltd. achieved a record of 45,185,748, a 27.9% increase compared to the previous year. Total on order book turnover, however, declined by 23.5% versus the all-time high recorded in 2007 to stand at CHF 1.9336 trillion. The trend towards a greater number of smaller transactions therefore continues. Eurex, the derivatives exchange jointly owned by SIX Group and Deutsche Börse, ended the year with a record number of 2.165 billion trades. For Eurex, the late 2007 merger with the International Securities Exchange (ISE) has added a new dimension to what is the largest trans-Atlantic marketplace.

The **Securities Services** business segment was influenced by the progressive change in the European post-trading business: the harmonization of regulatory conditions and the «EU Code of Conduct for Clearing and Settlement» led to an opening of the markets but also heightened competition among clearing and settlement organizations. Revenues from this particular business field rose by a gratifying 11.5% to CHF 262.4 million (2007: CHF 235.3 million), even after taking into account tariff reductions of roughly CHF 30 million. As a result of the fluctuations in the financial markets, the number of settlement transactions showed a sharp 12.6% increase to a total of 34.3 million (2007: 30.5 million). Simultaneously, however, the value of assets held in custody declined to CHF 2.447808 trillion (2007: CHF 3.086366 trillion) due to the weakness in the capital markets. Especially gratifying in 2008 was the number of clearing transactions, which at 25.4 million were practically double the 14.3 million total recorded in 2007.

The market environment for the **Financial Information** business field is being shaped by the far-advance phase of consolidation. In Europe, SIX Telekurs holds the No. 3 position in this area. It generated CHF 418.8 million in revenues during the period under review, CHF 124.7 or 42.4% more than in the previous year. This significant increase is mainly

attributable to the 30 September 2007 acquisition of the Fininfo Group, which was included in the scope of consolidation for the first time in the 2008 financial year on a full twelve-month basis. Adjusted for the effects of this acquisition and expressed in local currency, revenues rose by 3.3% – which in light of the financial market turmoil represents a satisfactory result. On the other hand, the fact that the database maintained by SIX Telekurs now for the first time encompasses structured and encoded entries for more than 5 million financial instruments.

The **Payment Transactions** business field of SIX Group constitutes the Multipay and Cards & Payments divisions. The Multipay division recorded significant growth rates in the 2008 financial year and either maintained or expanded its share of the markets in which it is involved. Revenues as well as the number of processed transactions rose markedly. The revenues cashless card transactions Multipay generated as a so-called acquirer increased to CHF 324 million. The Cards & Payments division recorded revenue growth of 7.6% for 2008 to a total of CHF 204.9 million, and the number of processed transactions witnessed another significant 17% increase to 1.470 billion. Particularly strong growth was seen in the number of transactions that the Cards & Payments division processed for foreign customers. Electronic invoicing (e-invoicing) developed favorably among the e-banking customers: the number of participants, as well as the number of e-invoices, increased by a wide margin. The SIC and euroSIC interbank payment systems also continued on their growth path.

Overview of key figures

The numbers as at 31.12.2007 pertain exclusively to the former SWX Group because, from a legal standpoint, SWX Holding acquired the SIS Group and Telekurs Group.

	2008	2007
SIX Group key figures (ex merger)		
Operating income (in 1,000 CHF)	1 347 874	510 935
Income from interest-related business (in 1,000 CHF)	41 449	1 479
Income from commission and service-related business (in 1,000 CHF)	1 186 549	405 656
Consolidated net profit (in 1,000 CHF)	306 100	244 289
Net assets (in 1,000 CHF)	4 558 416	1 183 103
Workforce in fulltime equivalents ¹	3 276.5	424
Workforce¹ (fulltime equivalents)		
Cash Markets division	388.4	424.0
Securities Services division	389.1	425.0
Financial Information division	1274.4	819.0
Multipay division	147.8	144.0
Cards & Payments division	532.8	461.2

¹ Workforce = average of fulltime equivalents between 1.1. and 31.12.

Income statement 2008 (in CHF million)	2007	2008	Abs. diff.	Diff. in %
Income from interest-related business	1.5	41.4	40.0	2,702.5
Income from commission and services business	405.7	1,186.6	780.9	192.5
Income from trading activities	6.7	-14.4	-21.1	-315.8
Other income	97.1	134.2	37.1	38.2
Total operating income	510.9	1,347.9	837.0	163.8
Personnel expense	95.0	525.7	430.7	453.4
General and administrative expense	84.1	304.9	223.8	266.1
Total operating expense	-179.1	-830.6	651.5	363.8
Gross profit	331.8	517.2	185.4	55.9
Depreciation, amortization and value adjustments	-25.2	-109.7	84.5	335.3
Net operating income	306.6	407.5	100.9	32.9
Taxes and extraordinary items	-62.3	-101.4	39.1	62.7
Consolidated net profit	244.3	306.1	61.8	25.3

Balance sheet 2008 (in CHF million)	2007	2008	Abs. diff.	Diff. in %
Due from banks	356.3	651.7	295.4	82.9
Non-consolidated financial interests	493.0	480.7	-12.3	-2.5
Property, plant and equipment	40.3	365.4	325.1	806.7
Other assets	293.5	3,060.6	2,767.1	942.8
Total assets	1,183.1	4,558.4	3,375.3	285.3
Due to banks	222.2	35.8	-186.4	-83.9
Accounts received in advance	93.0	356.0	263.0	282.8
Other liabilities	34.2	2,449.3	2,415.1	7,061.7
Debt capital	349.4	2,841.1	2,491.7	713.1
Capital and capital reserves	252.5	758.2	505.7	200.3
Retained earnings	336.8	649.6	312.8	92.9
Other reserves	244.4	304.3	59.9	24.5
Minority interests	-	5.3	5.3	
Shareholders' equity	833.7	1,717.4	883.7	106.0
Total liabilities and shareholders' equity	1,183.1	4,558.4	3,375.3	285.3

Should you have any questions, please feel free to contact Werner Vogt, Head Media Relations.

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SIX Group

SIX Group operates Switzerland's financial market infrastructure and offers on a global scale comprehensive services in the areas of securities trading, clearing and settlement, as well as financial information and payment transactions. The company, which emanated from the merger of the SWX Group, Telekurs Group and SIS Group at the start of 2008, is owned by its users (160 banks of various size and orientation) and, with its workforce of approximately 3,600 employees and presence in 23 countries, generates annual revenues in excess of 1.5 billion Swiss francs. www.six-group.com